

**HASTINGS ECONOMIC DEVELOPMENT AND REDEVELOPMENT AUTHORITY
DAKOTA COUNTY, MINNESOTA**

HEDRA RESOLUTION NO. 2022-26

**RESOLUTION APPROVING A CONTRACT FOR PRIVATE DEVELOPMENT,
AND PROVIDING THE FORM, TERMS, COVENANTS AND DIRECTIONS
FOR THE ISSUANCE OF A TAX INCREMENT REVENUE NOTE TO LAKE
ISABELLE FLATS, LLC**

BE IT RESOLVED BY the Board of Commissioners (“Board”) of the Hastings Development and Redevelopment Authority, Dakota County, Minnesota (the “HEDRA”), as follows:

Section 1. Background; Authorization; Award of Sale.

1.01. Background; Authorization. (a) HEDRA and the City of Hastings (“City”) have approved the establishment of its Tax Increment Financing District No. 9 (the “TIF District”) within Development District No. 1 (Hastings Downtown Redevelopment Area) (“Project”), and has adopted a tax increment financing plan (the “TIF Plan”) for the purpose of financing certain improvements within the Project; and

(b) Pursuant to Minnesota Statutes, Section 469.178, HEDRA is authorized to issue and sell its bonds for the purpose of financing a portion of the public development costs of the TIF District. HEDRA hereby finds and determines that it is in the best interests of HEDRA that it issue and sell its Tax Increment Revenue Note (the “Note”) for the purpose of financing certain qualified development costs of the Project, pursuant to the terms of this Resolution.

1.02. Agreement Approved; Issuance, Sale and Terms of Note. (a) HEDRA hereby approves the Contract for Private Redevelopment (“Agreement”) between HEDRA and Lake Isabelle Flats, LLC (“Owner”), and authorizes the President and Secretary to execute such Agreement in substantially the form attached hereto, subject to modifications that do not alter the substance of the transaction and are approved by such official, provided that execution of the Agreement by such officials is conclusive evidence of their approval. HEDRA staff, President and Secretary are hereby authorized to take all actions necessary to perform HEDRA’S obligations under the Agreement as a whole, including without limitation execution of any documents to which HEDRA is a party referenced in or attached to the agreement, all as described in the Agreement.

(b) HEDRA hereby authorizes the President and Secretary to issue the Note, in accordance with the Agreement. All capitalized terms in this resolution have the meaning provided in the Agreement unless the context requires otherwise.

(c) The Note shall be issued in the maximum aggregate principal amount of \$1,913,693.00 to the Owner in consideration of certain eligible costs incurred by the Owner under the Agreement and

shall be dated the date of delivery thereof. The Note will be issued in the principal amount of Qualified Costs submitted and approved in accordance with Section 5.2 of the Agreement. The Note is secured by Available Tax Increment, as further described in the form of the Note herein. HEDRA hereby delegates to the Secretary the determination of the date on which the Note is to be delivered, in accordance with the Agreement.

Section 2. Form of Note. The Note shall be in substantially the form attached as Schedule B to the Agreement, with the blanks to be properly filled in and the principal amount adjusted as of the date of issue.

Section 3. Terms, Execution and Delivery.

3.01. Denomination, Payment. The Note shall be issued as a single typewritten note numbered R-1.

The Note shall be issuable only in fully registered form. Principal of the Note shall be payable by check or draft issued by the Registrar described herein.

3.02. Dates. Principal of the Note shall be payable by mail to the owner of record thereof as of the close of business on the fifteenth day of the month preceding the Payment Date, whether or not such day is a business day.

3.03. Registration. HEDRA hereby appoints the City Finance Director to perform the functions of registrar, transfer agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of HEDRA and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its office a bond register in which the Registrar shall provide for the registration of ownership of the Note and the registration of transfers and exchanges of the Note.

(b) Transfer of Note. Subject to Section 3.03(d) hereof, within 15 days after surrender for transfer of the Note duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form reasonably satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, and consent to such transfer by HEDRA if required pursuant to the Agreement, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new Note of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each Payment Date and until such Payment Date.

(c) Cancellation. The Note surrendered upon any transfer shall be promptly cancelled by the Registrar and thereafter disposed of as directed by HEDRA.

(d) Improper or Unauthorized Transfer. When the Note is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is reasonably satisfied that the endorsement on such Note or separate instrument of transfer is legally authorized. The Registrar shall incur no

liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(e) Persons Deemed Owners. HEDRA and the Registrar may treat the person in whose name the Note is at any time registered in the bond register as the absolute owner of the Note, whether the Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of such Note and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of HEDRA upon such Note to the extent of the sum or sums so paid.

(f) Taxes, Fees and Charges. For every transfer or exchange of the Note, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange.

(g) Mutilated, Lost, Stolen or Destroyed Note. In case any Note shall become mutilated or be lost, stolen, or destroyed, the Registrar shall deliver a new Note of like amount, Termination Dates and tenor in exchange and substitution for and upon cancellation of such mutilated Note or in lieu of and in substitution for such Note lost, stolen, or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case the Note lost, stolen, or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Note was lost, stolen, or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it, in which both HEDRA and the Registrar shall be named as obligees. The Note so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to HEDRA. If the mutilated, lost, stolen, or destroyed Note has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Note prior to payment.

3.04. Preparation and Delivery. The Note shall be prepared under the direction of the Secretary and shall be executed on behalf of HEDRA by the signatures of its President and Secretary. In case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. When the Note has been so executed, it shall be delivered by the Secretary to the Owner thereof in accordance with the Agreement.

Section 4. Security Provisions.

4.01. Pledge. HEDRA hereby pledges to the payment of the principal of the Note all Available Tax Increment as defined in the Note. Available Tax Increment shall be applied to payment of the principal of and interest on the Note in accordance with the terms of the form of Note set forth in Section 2 of this resolution.

4.02. Bond Fund. Until the date the Note is no longer outstanding and no principal thereof (to the extent required to be paid pursuant to this resolution) remains unpaid, HEDRA shall maintain a separate and special "Bond Fund" to be used for no purpose other than the payment of the principal of the Note. HEDRA irrevocably agrees to appropriate to the Bond Fund on or before each Payment Date the Available Tax Increment in an amount equal to the Payment then due, or the

actual Available Tax Increment, whichever is less. Any Available Tax Increment remaining in the Bond Fund shall be transferred to HEDRA's account for the TIF District upon the termination of the Note in accordance with its terms.

4.03. Additional Obligations. HEDRA will issue no other obligations secured in whole or in part by Available Tax Increment unless such pledge is on a subordinate basis to the pledge on the Note.

Section 5. Certification of Proceedings.

5.01. Certification of Proceedings. The officers of HEDRA are hereby authorized and directed to prepare and furnish to the Owner of the Note certified copies of all proceedings and records of HEDRA, and such other affidavits, certificates, and information as may be required to show the facts relating to the legality and marketability of the Note as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall be deemed representations of HEDRA as to the facts recited therein.

Section 6. Effective Date. This resolution shall be effective upon approval.

Adopted by the Hastings Economic Development and Redevelopment Authority this 7th day of June, 2022.

Ayes:

Nays:

Absent:

Bruce Goblirsch, President

Eric Maass, Secretary